

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Call to Order: By **CHAIRMAN JOHN WITT**, on January 16, 2001 at 8.30 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. John Witt, Chairman (R)
Sen. Ken Miller, Vice Chairman (R)
Rep. Rosalie (Rosie) Buzzas (D)
Sen. Greg Jergeson (D)
Sen. Royal Johnson (R)
Rep. Art Peterson (R)

Members Excused: None.

Members Absent: None.

Staff Present: Becky Beckert-Graham, OBPP
David Brown, Legislative Branch
Ms. Pam Joehler, Legislative Branch
Cayenna Johnson, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: Montana State Library,
Montana Historical Society
Executive Action: None

{Tape : 1; Side : A; Approx. Time Counter : 0}

CONTINUED HEARING ON MONTANA STATE LIBRARY

Mr. Dave Brown, Legislative Fiscal Division, discussed DP 2-Stable Funding for NRIS Core and stated that there is language on the bottom of page E-49 that was not supposed to appear in the LFD Budget Analysis and was not the intention of the LFD, OBPP nor the agency.

{Tape : 1; Side : A; Approx. Time Counter : 3.5}

SEN. JOHNSON needed further clarification regarding the before mentioned language. **Mr. Brown** explained the language should not say "line-item". The funding will still be requested by the agencies by contract, but the language on E-49 would allow NRIS to charge the listed agencies through HB 2. This is not their intention.

Ms. Becky Beckert-Graham, Office of Budget and Program Planning, handed out the exhibits which show language.

EXHIBIT(jeh12a01), and EXHIBIT(jeh12a02)

Ms. Karen Strege, Director, Montana State Library, provided the following additional handouts regarding committee requests from 1/15/01 entitled, "NRIS Performance Measures" and "Services Provided by NRIS":

EXHIBIT(jeh12a03), and EXHIBIT(jeh12a04)

HEARING MONTANA HISTORICAL SOCIETY

{Tape : 1; Side : A - Side: B; Approx. Time Counter : 11.8 - 20.4; 8:15-9:57 a.m.}

Mr. Arnie Olsen, Director, Montana Historical Society, gave an overview of Montana Historical Society(MHS) that can be found in the following handouts:

EXHIBIT(jeh12a05), and EXHIBIT(jeh12a06)

Dr. Olsen, presented the following entitled, "Impact of Museums on Montana's Economy and Community: Results of the 1999 Economic Survey" in the following exhibit:

EXHIBIT(jeh12a07)

Dr. Olsen reported museums in Montana contribute \$42 million to the economy. He explained that MHS has a statutory charge **(23/3/101 MCA)** to acquire, preserve, protect and provide broad access to historical records, arts, archival material, museum objects and historical sites to be used for learning, culture and enjoyment. MHS is funded 54% general fund, 24% proprietary fund, 15% federal funds, 2% accommodations tax and 5% private donations. MHS Administration program included \$875,894 in the base budget with 13 FTE; Library Archives includes \$615,686 and 13.75 FTE; Museum Program includes \$396,415 with 9.0 FTE;

Publications Program includes \$720,565 with 10.38 FTE; and Historical Preservation includes \$427,084 with 7.5 FTE.

Dr. Olsen presented the following information on MHS containing various articles about the achievements and work within the community:

EXHIBIT(jeh12a08)

{Tape : 1; Side : B; Approx. Time Counter : 21.9}

PUBLIC TESTIMONY

Mr. Bill Spilker testified in support of the \$125,000 to maintain the Scriver Collection. He stated Mr. Scriver's widow left her art collection to the Montana Historical Society and she has the highest regard for the staff of MHS. He noted the Scriver Collection is world class art and needs to be protected.

{Tape : 1; Side : B; Approx. Time Counter : 28.0}

Dr. Olsen introduced his staff to answer questions from the committee.

CHAIRMAN WITT asked **Dr. Olsen** to explain the duplication between Montana State Library (MSL) and MHS. **Dr. Olsen** explained the difference is that MHS has a closed stacked library only for historic research. He is not aware of much duplication in the collections. **Ms. Laurie Morall, Acting Director of Archives, Montana Historical Society**, added MHS is a statewide reference and research center, while MSL has connections and communications with other state libraries and provides direct access to research materials.

{Tape : 2; Side : A; Approx. Time Counter : 0}

REP. PETERSON asked whether the deterioration of the microfilm was a concern for MHS. **Dr. Olsen** responded they might expect to digitize some items that are not already on microfilm and that this is a larger concern for them.

CHAIRMAN WITT asked for a briefing on the Lewis & Clark Commission activities. **Dr. Olsen** handed out the following exhibits regarding the Lewis & Clark Bicentennial Activities entitled, "Briefing for 2002 Legislature, Lewis and Clark Bicentennial Activities Working Together to Achieve Success" and "Montana Legacy: Montana Lewis and Clark Bicentennial Master Plan":

EXHIBIT(jeh12a09), and **EXHIBIT(jeh12a10)**

{Tape : 2; Side : A; Approx. Time Counter : 12.4; 9:30 a.m.}

Mr. Brown gave an overview of the MHS budget, compared Martz Executive Budget recommendations to Racicot Executive Budget recommendations and reviewed the LFD comments contained in the LFD Budget Analysis:

EXHIBIT(jeh12a11)

{Tape : 2; Side : A; Approx. Time Counter : 16.7}

SEN. JERGESON explained there is a statutory appropriation of Accommodations Tax to MHS and that the legislature cannot appropriate the Accommodations Tax. Martz has recommended DP 3-Lewis and Clark Bicentennial-NP be reduced by \$29,369 in FY02 and \$28,938 in FY03 and paid for using Accommodations Tax. He asked whether the Department of Commerce(DOC) had agreed to pay for DP 3. **Ms. Beckert-Graham** explained they have agreed although she cannot provide documentation. **Mr. Brown** commented the Scriver Collection is a massive acquisition and fears that without a plan nothing will occur. Presently MHS does not have the capacity to show the Scriver materials. **SEN. JOHNSON** remarked that it costs \$50,000 each year for storage and over \$200,000 was spent in the last biennium for storage.

{Tape : 2; Side : A; Approx. Time Counter : 26.7}

Mr. Brown explained the LFD Issue is that MHS, in following their own rules, will continue to grow and will need greater funds each year to keep up with their mission statement. The last LFD comment regards the Scriver acquisition. MHS has no legal venue to approach the legislature and request funds to purchase the Scriver Collection. **SEN. JOHNSON** asked **Mr. Brown** if he had any ideas how to put this consideration in written form.

Motion: **Sen. Johnson** moved that **LFD PROVIDE A PLAN WITHIN 30 DAYS OF THE FINALE OF THE 2001 LEGISLATIVE SESSION TO PROVIDE RECOMMENDATIONS FOR A LEGAL VENUE TO REQUEST FUNDS FOR LARGE PURCHASES TO BE PRESENTED TO THE LEGISLATURE AND FINANCE COMMITTEE BE ADOPTED.**

SEN. MILLER asked if **SEN. JOHNSON'S** intent was specific to this collection or if it includes other circumstances. **CHAIRMAN WITT** ruled this matter be taken up during Executive Action.

{Tape : 2; Side : B; Approx. Time Counter : 3.1}

SEN. JERGESON compared the mission statement to the statutory charge of MHS and stated he found nothing different. He stated the responsibility of a constantly growing work load is not that of the agency when it is in statute to keep growing. He reminded the committee if they want to change the mission statement of the agency, they should change statute.

SEN. MILLER asked **Dr. Olsen** about the special rental space requirements for the Scriver Collection. **Dr. Olsen** presented the following to the committee entitled, "Montana Historical Society: Photo Summary of Scriver Collection":

EXHIBIT(jeh12a12)

The rental space is an old liquor warehouse and costs \$100,000 per year or \$5.25 per square foot annually. This facility has a loading dock, a freight elevator, a camera and a controllable environment to protect the estimated \$15 million value of the collection. **Dr. Olsen** stated they are desperately looking for an alternate facility and that it might be cheaper to build an off-site facility. **REP. BUZZAS** asked if they were considering building an alternative building and making it into a museum. **Dr. Olsen** replied that it would always make sense to have a cheaper, off-site storage area.

SEN. JERGESON reminded the committee of the Russell painting in the Senate worth \$400,000. He said the legislature was originally offered an opportunity to buy the entire Russell Collection much cheaper than they later paid for that one painting.

{Tape : 2; Side : B; Approx. Time Counter : 19.9}

01-ADMINISTRATION PROGRAM

Mr. Brown explained DP 2-Lewis and Clark Bicentennial-PL was due to an increase in requests for information and suggested the committee fund it one-time-only. He also explained DP 5-Administration Adjustments to Base was due to a new director who, in greater health than the former director, will have greater travel expenses.

SEN. JERGESON asked what the payment source is to supplement rent reductions recommended by the Martz Executive Budget. **Mr. Brown** explained this can be found on page 21 of **Exhibit (11)** from the Capitol Land Grant Fund. **Ms. Beckert-Graham** explained the money comes from the elimination of a fixed cost in the Department of Administration of \$933,050 per year and is pro-rated throughout the agencies.

{Tape : 2; Side : B; Approx. Time Counter : 26.5}

Mr. Brown discussed program 01 New Proposals. DP 1-Personnel Officer was approved in the Racicot Executive Budget but eliminated in the Martz Executive Budget. DP 3-Lewis & Clark Bicentennial - NP originally requested 3 FTE. Martz recommended partial funding with Accommodations Tax. Martz also recommended elimination of DP 9-Information System Support Specialist and DP 10-Online Public Record Access. DP 17-Overhead is to recoup unfunded mandates over the years.

{Tape : 2; Side : B; Approx. Time Counter : 29.1}

SEN. JOHNSON said his understanding was the "Virginia City Situation" was properly funded with \$4 million dollars. **Dr. Olsen** explained that DP 17 gives MHS the authority to charge for administrative services on money already allocated to Virginia City.

02-LIBRARY PROGRAM

{Tape : 3; Side : A; Approx. Time Counter : 0; 10:20}

Mr. Brown explained DP 4-Library Program Adjustments to Base will be partially paid for by local libraries. The LFD had no issue concerning DP 19-Microfilm Reader Printer Lease.

03-MUSEUM PROGRAM

Mr. Brown explained that Governor Martz recommends funding DP 11-Scriber Rent Storage with the Accommodations Tax. **Mr. Brown** explained the LFD has a spontaneous LFD Issue that these proposals need either General Fund or Accommodations Tax. He said the managers of the tax had committed to the expenditure. **Mr. Brown** explained that DP 12-Scriber Curator is funded by Accommodations Tax. This 0.5 FTE is to inventory everything in the Scriber Collection. Governor Martz recommended elimination of DP 14-Volunteer Coordinator.

04- PUBLICATIONS PROGRAM

Mr. Brown reported the Martz Budget recommended elimination of New Proposal DP 14-Agency Newsletter Fund Switch.

06-HISTORICAL SITES PRESERVATION

Mr. Brown continued with DP 15-SHPO Grants Administrator which included a comparison of the federal grants historically brought in by the grants administrator on page E-64.

{Tape : 3; Side : A; Approx. Time Counter : 10.6}

08- LEWIS & CLARK BICENTENNIAL

Mr. Brown explained Program 08 is a new program. They have one new proposal DP 33-Grant Funding which Governor Martz recommends funding with the Accommodations Tax rather than general fund.

REP. BUZZAS asked the total amount of the MHS budget Governor Martz recommends funding with Accommodations Tax. **Ms. Beckert-Graham** responded that in FY02 the amount is \$253,853 and in FY03 the amount is \$254,291. **SEN. JERGESON** asked if this is the only agency partially funded by Accommodations Tax. **Ms. Beckert-Graham** responded she did not know of any others.

{Tape : 3; Side : A; Approx. Time Counter : 13.5}

CHAIRMAN WITT asked **Dr. Olsen** if he would care to comment. **Dr. Olsen**, referring to **Exhibit (3)**, explained tourism research indicates an expected 67% increase in tourism in 2005-2006 due to the Lewis & Clark Bicentennial Event. This will have an enormous effect on MHS due to the fact that they will have to focus entirely on the Lewis & Clark Bicentennial event. He also explained the MHS has to travel a great deal to meet requirements and is only asking for about half the travel expenses. **Dr. Olsen** stated there are several things MHS can do to get ready for the Lewis & Clark Bicentennial Program. The committee can fund DP 33 one-time-only (OTO) but he reminded the committee that MHS will be asking for the money again in the next session until the Lewis & Clark Bicentennial Event is over.

The following handouts were given to the committee during **Dr. Olsen's** comments:

EXHIBIT (jeh12a13) "How and Why Do the Montana Historical Society's Collections Grow?"

EXHIBIT (jeh12a14) "Montana Historical Society's Collections Breadth and Strengths"

EXHIBIT (jeh12a15) "Lewis and Clark Grants Criteria"

EXHIBIT (jeh12a16) "Historical Societies" and

EXHIBIT (jeh12a17) "Museums' Association of Montana Invites You to Visit Montana's Museums"

{Tape : 3; Side : B; Approx. Time Counter : 10.7}

CHAIRMAN WITT asked **Dr. Olsen** about the condition of Vacancy Savings in MHS. **Dr. Olsen** explained in the last year two employees retired or resigned and emptied the personnel services. He said presently two program manager positions are vacant but are on the verge of being filled.

PUBLIC TESTIMONY

Ms. Inga Nelson, Montana Education Association/Montana Federation of Teachers, spoke in favor of giving adequate funding for MHS staff.

{Tape : 3; Side : B; Approx. Time Counter : 13.8}

ADJOURNMENT

Adjournment: 11.10 A.M.

REP. JOHN WITT, Chairman

CAYENNA JOHNSON, Secretary

JW/CJ

EXHIBIT (jeh12aad)